



LEAGUE OF WOMEN VOTERS OF CALIFORNIA

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CALIF ENERGY COMMISSION

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Statement by the League of Women Voters at CEC Hearing re SB 1389

My name is Jane Hughes Turnbull. I am speaking today on behalf of the League of Women Voters of California.

The League of Women Voters agrees with the staff proposal that reports mandated by SB 1389 to be sent to the Governor and Legislature should focus on "the energy policy issues that are likely to be of greatest concern to the state's policy makers." The League also agrees that "tremendous uncertainties ... remain in the structure and design of the energy markets, financial condition of utilities and the energy industries, and improvements needed to the energy infrastructure."

It is utterly clear that California's efforts to deregulate the electricity industry have been a dismal failure, and that the people of the state have borne and will continue to bear the costs of these mistakes for some time into the future.

We all must agree that Humpty Dumpty has had a nasty fall. Before the State legislature embarks on efforts at reconstructive surgery, a thorough effort to define the lessons learned from the mistakes of the past six years should be made.

Over the past months, the Energy Committee of the League of Women Voters of California has met with a number of those involved in assessing and evaluating the problems that grew out of the original 1996 legislation. Some highly respected experts have thought hard about what went wrong. We feel that the good efforts of these experts should be recognized and used. California needs a comprehensive analysis of the mistakes that have been made and the implications of those mistakes. Based on such an analysis, there is an urgent need to develop a comprehensive vision of how the electricity industry in this state should be structured and governed.

The staff proposal addresses the areas vital to an adequate and effective energy system for our state. But these should not be the only considerations addressed in this first Integrated Energy Policy Report.

We, the League of Women Voters of California, offer to collaborate with the California Energy Commission, the California Public Utilities Commission, and other relevant state agencies to convene a panel of experts in energy system governance to identify the lessons that should be learned from the past six years, and the necessary conditions to be met in managing and regulating our energy system in the decades ahead.

We believe this is a critical first step in establishing an industry that will meet the legitimate concerns of all Californians: Reliability, cost, personal rights to a commodity, the economic well-being of our state, and the environmental consequences of the decisions that will be made.